2002 ANNUAL REPORT

LEROUX

LEROUX

Founded in 1887, Leroux Steel is the largest steel distributor in Eastern Canada with a presence in the United States.

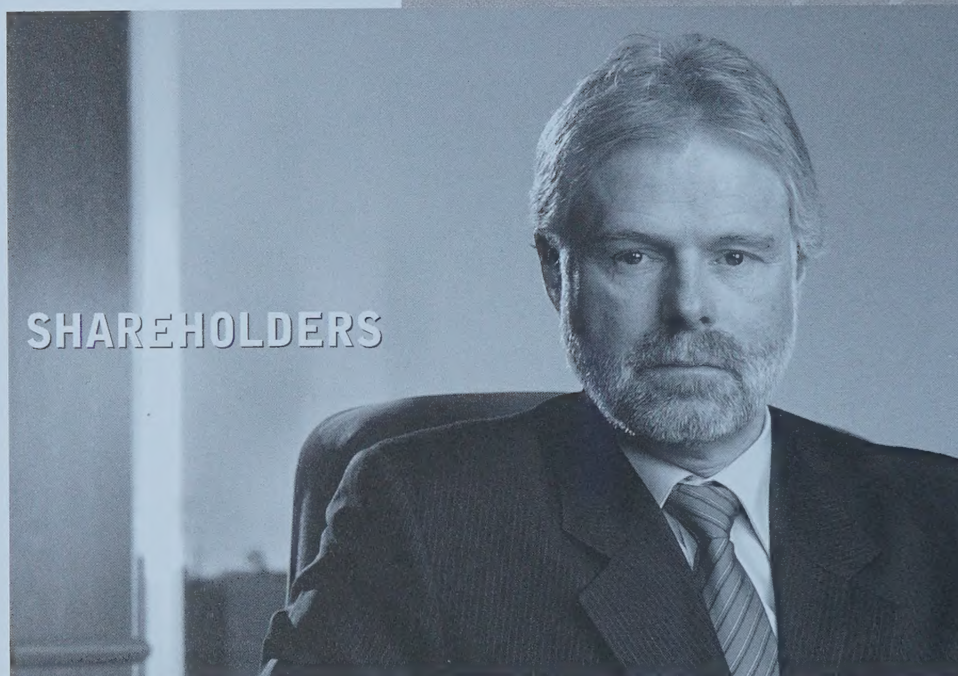
The Company, which has approximately 1,100 employees, specializes in the procurement, warehousing, processing and distribution of some 3,000 steel products. It serves over 8,000 customers in a wide range of industries. To that end, Leroux Steel operates a modern network of 25 steel service centres. With an indoor warehousing space totaling more than two million square feet, these service centres are strategically based across Eastern Canada and the North Eastern and Central United States.

FINANCIAL HIGHLIGHTS

(in thousands of dollars except per share and other data as noted)

	November 2, 2002	November 3, 2001	October 28, 2000	October 31, 1999	October 31, 1998
Shipments (in tons)	**741,815**	825,303	871,760	796,345	615,800
Sales	**$ 522,901**	$ 588,382	$ 680,961	$ 586,911	$ 495,385
Average selling price ($/ton)	**$ 705**	$ 713	$ 781	$ 737	$ 804
EBITDA	**$ 11,925**	$ 16,598	$ 57,631	$ 31,759	$ 33,411
Net income (net loss)	**$ (6,330)**	$ (3,021)	$ 20,588	$ 8,251	$ 12,064
Basic	**$ (0.75)**	$ (0.42)	$ 1.90	$ 0.72	$ 1.05
Fully diluted	**$ (0.75)**	$ (0.42)	$ 1.41	$ 0.59	$ 0.82
Cash flow	**$ 5,133**	$ 3,353	$ 29,241	$ 14,011	$ 17,697

MESSAGE TO SHAREHOLDERS



"TODAY, LEROUX STEEL IS WELL POSITIONED TO REAP THE FULL BENEFITS OF THE STRATEGIC MOVES MADE BY ITS MANAGEMENT AND PERSONNEL IN THE PAST YEAR."

WHILE THE 2002 FINANCIAL YEAR DID NOT GENERATE THE RESULTS WE HAD HOPED FOR, IT WAS A YEAR OF SIGNIFICANT PROGRESS FOR LEROUX STEEL ON SEVERAL FRONTS. OUR DRIVE TO ACCELERATE THE COMPANY'S PROFITABLE DEVELOPMENT BY CAPITALIZING ON ITS KEY RESOURCES LED US TO BROADEN THE INITIATIVES OF 2001 INTO AN IN-DEPTH, COMPREHENSIVE RESTRUCTURING OF OUR OPERATIONS. A BRIDGE TO THE FUTURE, THIS TRANSITION PERIOD SETS THE STAGE FOR LEROUX STEEL TO BENEFIT FULLY FROM THE COMING UPTURN IN THE STEEL MARKET.

Like most players in the industry, Leroux Steel posted lower consolidated sales for the 12-month period ended November 2, 2002. Sales were $522.9 million, down from $588.4 million the previous year. This situation reflected the sluggish economy that prevailed throughout the year in the North American manufacturing industry and commercial and industrial construction, and its negative repercussions on demand and prices of our key products. Consequently, the Company closed out the year with a net loss of $6.3 million or $0.75 per share compared to a net loss of $3.0 million or $0.42 per share last year.

The loss was attributable to the Company's American activities, where it incurred a restructuring charge. The latter was mainly the result of the closing of the Company's service centres in Piscataway, New Jersey, in Schenectady, New York, and in Blytheville, Arkansas as well as its American head office in fiscal 2002.

The Canadian operations also suffered, impacted by weak results at our subsidiary, Delta Joists, whose operations have close ties with the U.S. construction industry.

Even with the higher loss, our operating performance was superior to last year's. We also managed to increase funds from operations by 53% in 2002. These results are a measure of the progress achieved by our management team.

AMERICAN ACTIVITIES RESTRUCTURING

Of the various measures introduced in the past year, the most important related to the reorganization of our American activities. Numerous decisions had to be made, the most notable being the recent closure of the Piscataway service centre, which had been unprofitable for some time. The closure of

LEROUX

RICHARD H. SAMUEL Executive Vice-President **DOUGLAS P. BILLYARD** Regional Manager, Ontario
JOCELYN BOILY Regional Manager, Eastern Quebec **GREGG BRYANT** Regional Manager, Atlantic Provinces
MICHEL VAILLANCOURT Regional Manager, Western Quebec

this centre was in line with our restructuring plan for the Eastern United States in general and our unprofitable operations in particular. While such a decision is always difficult, we deemed it necessary for the future profitability of the Company.

Last July, the Company's American subsidiary, Federal Pipe and Steel Corporation, entered into a 50-50 joint venture with Indiana-based Alpha Steel Corporation. The resulting entity, FederAlpha Steel, LLC, serves the American Midwest market.

In a further move to render our U.S. operations profitable, we also closed the American head office in Detroit and centralized all administrative functions at our head office in Quebec. This initiative allowed us to adjust our cost structure to the new market realities without affecting customer service. In fact, services related to sales, warehousing, transformation and distribution were kept intact at our Manchester division and our Plattsburgh area service centre.

HIGHER-PERFORMANCE ORGANIZATIONAL STRUCTURE

In order to respond to the needs and economic realities of each region that it serves, the Company created a new organizational structure in 2002 with five regional divisions: Eastern Quebec, Western Quebec, Atlantic Provinces, Ontario and Eastern United States. Closer to their clients and suppliers, these regional divisions have sufficient decision-making autonomy to define the strategic directions that will generate cohesive development in their respective markets. In this regard, in the past year the Company conducted a broad survey of its customers to determine their level of satisfaction and help pinpoint their true needs. A similar investigation of suppliers is now underway to ensure that Leroux Steel can rely on the ongoing support of high-quality partners to help it achieve its growth objectives.

MAXIMIZING PRODUCTIVITY

Increasing productivity while continuing to meet the expectations of our customers is a daily priority for us at Leroux Steel. Reaching this objective requires improving organizational processes, which led us to develop our central information system, expected to be up and running in fiscal 2003. Flexible and user-friendly, this management assistance system will improve every aspect of the Company's operations. It will provide the organization with a powerful, cost-effective management tool to process large quantities of key information in real time. Access to complete information will provide our managers with a truer picture of the Company's various clientele, leading to targeted commercialization and marketing strategies aimed at increasing profitable market share.

"initiatives such as reorganizing our American activities and organizational structure, and investing in our central data system help Leroux Steel stay on the cutting edge"

strengthening ties with our partners:

LEROUX

EDWARD RICHLER Vice-President, Corporate Purchasing
CATHERINE FRIGON Vice-President and General Counsel, Corporate Secretary

OPTIMIZED PRODUCT RANGE

In response to the demands of the marketplace, Leroux Steel is working to enhance its product range in a move to broaden its customer base and balance its inventory with demand. As part of its repositioning strategy, the Company carried out an exhaustive review of its product line in 2002, which led to the cancellation of certain products with a limited market. In order to improve logistics, the Company also decided to redistribute products with highly specific markets in a more efficient manner. Last but not least, in-depth studies were conducted to assess the commercial potential of new products that make use of the Company's existing expertise, equipment and transformation and distribution facilities.

MANAGEMENT TEAM

In parallel with the above-mentioned organizational adjustments, changes were also made to our management team in a bid to help reposition the Company and strengthen its capacity to generate solid financial returns. In addition to the assignment of managers to the five regional centres late last year, other notable changes include the appointments of Richard H. Samuel as Executive Vice-President and Daniel Vallières as Chief Financial Officer. Selected from within the organization, these managers have already proven their ability to take on the challenges that Leroux Steel must grapple with every day if it is to maintain its position at the forefront of the steel distribution industry in North America.

"ongoing efforts to strengthen our ties with our partners, including our clients, suppliers, creditors and investors, make for solid allies that Leroux Steel can rely on"

RENEWED CREDIT FACILITIES

As announced last August, the Company renewed its $120 million credit facility in Canada and US $23.3 million credit facility in the United States for a three-year period. In combination with the cash flow generated by operations, this important financial base provides Leroux Steel with the cash it needs to finance both its ongoing operations and its growth. The new credit agreement also allows the Company to calibrate its financial structure to better suit its operating structure.

responsible financial management:

LEROUX

DANIEL VALLIÈRES, CA, CMA Chief Financial Officer

OUTLOOK

Today, Leroux Steel is well positioned to reap the full benefits of the strategic moves made by its management and personnel in the past year. We nonetheless remain cautious in our 2003 forecasts given the present state of the North American steel market.

Despite the current fragile economic environment and uncertain geopolitical climate, we will continue to pursue our primary objective: renewed profitability. We will continue the process of optimizing our core Canadian distribution activities and remain open to business opportunities in the Canadian market. We will also continue to reorganize our American operations, retaining only potentially profitable service centres.

Continuing improvement in operating efficiency, particularly through the development of new synergies emerging from the integration of our operations, will also remain a priority for 2003. Furthermore, Leroux Steel is confident that it can rely on the high quality of its services and expanded product range to widen its lead over the competition.

In short, we firmly believe that our action plan will enable us to achieve our operating efficiency and profitability objectives and increase shareholder value.

ACKNOWLEDGEMENTS

In closing, I would like first and foremost to thank our employees for their commitment to the mission Leroux Steel has set for itself. I would also like to extend my thanks to our customers and suppliers for the trust they have shown in our organization, to our directors for their sound management advice and to our shareholders for their valued support.

"substantial inventory reduction and asset optimization have enabled Leroux Steel to reduce debt and thereby secure greater flexibility"

Gilles Leroux
Chairman of the Board
and Chief Executive Officer

HEAD OFFICE LEROUX STEEL INC.

1331, rue Graham-Bell
Boucherville, Quebec
J4B 6A1

Telephone:	(450) 641.2280 1 800 241.1887
Fax:	(450) 641.9024
Website:	**www.leroux-steel.com**

OUR NETWORK

CANADIAN DIVISIONS

A **Boucherville Division**
1331, rue Graham-Bell
Boucherville, Quebec
J4B 6A1

B **Terrebonne Division**
1025, boul. des Entreprises
Terrebonne, Quebec
J6Y 1V2

C **Ottawa Division**
2420 Stevenage Drive
Ottawa, Ontario
K1G 3W3

D **Amos Division**
1675, route de l'Aéroport
C.P. 550
Amos, Quebec, J9T 3A8

E **Saint-Augustin Division**
167, rue Rotterdam
Saint-Augustin-de-Desmaures
Quebec, G3A 2K2

F **Acier Loubier Division**
5225, rue John-Molson
Quebec, Quebec
G1X 3X4

G **Mégantic Métal Division**
1400, boul. Smith Nord
C.P. 22
Thetford Mines, Quebec
G6G 5R9

H **Chicoutimi Division**
2149, rue de la Fonderie
Chicoutimi, Quebec
G7H 5B1

I **Baie-Comeau Division**
55, William-Dobel
Baie-Comeau, Quebec
G4Z 1T8

J **Sept-Îles Division**
533, boul. Laure Est
Sept-Îles, Quebec
G4R 4K2

K **Rimouski Division**
221, rue des Négociants
Rimouski, Quebec
G5M 1B7

L **Sackville Division**
141 Crescent Street
Sackville, New Brunswick
E4L 3V2

M **Halifax Division**
5 Burley Court
Burnside Industrial Park
Dartmouth, Nova Scotia
B3B 2A3

N **Cambridge Division**
15 Cherry Blossom Road
Cambridge, Ontario
N3H 4R7

O **Port Robinson Division**
200 South Street North
Port Robinson, Ontario
L0S 1K0

CANADIAN SUBSIDIARIES

A **Transfo-Métal Inc.**
1300, rue Graham-Bell
Boucherville, Quebec
J4B 6H5

B **Richler Steel Corporation**
1300, rue Graham-Bell
Boucherville, Quebec
J4B 6H5

C **Armabec Inc.**
2300, rue Garneau
Longueuil, Quebec
J4G 1E8

D **Delta Joists Inc.**
1270, 2e Rue
Parc Industriel
Sainte-Marie-de-Beauce
Quebec G6E 1G8

E **Dollard Steel Inc.**
6600, boul. Décarie
Suite 310
Montréal, Quebec
H3X 2K4

AMERICAN SUBSIDIARY
FEDERAL PIPE AND STEEL CORPORATION

A **Plattsburgh Division**
4 Martina Circle
Plattsburgh, New York
12901

B **Manchester Division**
300 Gay Street
Manchester, New Hampshire
03103

JOINT VENTURE
FEDERALPHA STEEL, LLC

A **Chicago Division**
521 First Street
Peotone, Illinois
60468

B **Hammond Division**
144-141st. Street
Hammond, Indiana
46327

C **Detroit Division**
41580 Joy Road
Plymouth, Michigan
48170

MANAGEMENT DISCUSSION AND ANALYSIS of financial position and operating results

THE FOLLOWING ANALYSIS OF THE COMPANY'S FINANCIAL POSITION AND OPERATING RESULTS IS PROVIDED TO GIVE THE READER AN OVERVIEW OF ANY SUBSTANTIAL CHANGES IN FINANCIAL POSITION AND OPERATING RESULTS THAT OCCURRED BETWEEN NOVEMBER 4, 2001 AND NOVEMBER 2, 2002. IT SHOULD BE NOTED THAT RESULTS FOR THE 2002 FISCAL YEAR ARE FOR A 52-WEEK PERIOD WHILE FISCAL 2001 COVERED 53 WEEKS.

OVERVIEW

Founded in 1887, Leroux Steel is one of the largest steel distributors in Eastern Canada. The Company, which also has a presence in the United States, has approximately 1,100 employees across North America. It specializes in the supply, warehousing, processing and distribution of some 3,000 steel products that include reinforcing steel, steel bars, angles, channels, beams, tubing, pipes, plates and hot rolled sheets as well as a wide assortment of steel products of various shapes and grades.

In the past five years, Leroux Steel has practiced a multi-faceted growth strategy that has led to the acquisition of three Canadian distribution companies. This same development strategy has seen Leroux Steel restructure its operating base by opening or overhauling numerous service centres. The Company has also invested substantial sums to acquire advanced technologies and equipment so as to offer its customers a wider range of products and high value-added services. Today, Leroux Steel processes just over one third of the products it distributes using various technologies including saw cutting, precision cutting (flame and plasma cutting), shearing, bending and cut to length of steel coils.

Leroux Steel and its subsidiaries operate a network of 25 steel service centres strategically located across Eastern Canada and the Northeastern and Midwestern United States. The Company also has a fleet of about 100 trucks to deliver its products within a 500-kilometre radius of its service centres, which have a total warehousing capacity of over two million square feet.

Leroux Steel serves more than 8,000 customers representing a broad range of industries. Manufacturers of structures and various types of machinery and equipment (farm, heavy and industrial) account for 70% of the Company's consolidated sales. Retail and service companies generated a quarter of its revenues, with the primary industries (forestry, agriculture and mining) making up the remaining 5%.

Leroux Steel is also well diversified geographically. In 2002, 73.1% of the Company's sales originated in Canada (Quebec 46.3%, Ontario 18.7% and Atlantic Provinces 8.1%) and 26.9% in the United States. The proportional distribution of shipments is roughly the same, with 554,204 tons or 74.7% of the 2002 consolidated tonnage delivered in Canada (Quebec 43.9%, Ontario 22.9% and Atlantic Provinces 7.9%) and 187,611 tons or 25.3% in the United States.

OPERATING RESULTS

Steel shipments declined by 10.1% in 2002 to 741,815 tons compared to 825,303 tons the previous year, due to difficult market conditions on both sides of the border.

Canadian shipments totalled 554,204 tons in 2002, down 6.2% from 590,565 tons in 2001. The decrease was in large part due to lower demand in the Quebec and Ontario manufacturing industries. Shipments in the Atlantic Provinces nonetheless grew by 7.6% to nearly 8.0% of consolidated shipments in 2002, stimulated by value-added transformation services.

The situation proved more difficult in the United States, where the substantial decline in economic activity translated into poor performances in the manufacturing industry and commercial and industrial construction. The Company's steel shipments south of the border dropped 20.1% in 2002 to 187,611 tons from 234,738 tons in 2001, leading the Company to close three of its service centres during the year.

Generalized weakness in demand for steel products also had a negative impact on the average selling price, which retreated 1.1% from $713 per ton in 2001 to $705 per ton in 2002. The industry has not seen prices this low since the summer of 1994. The domestic supply-demand imbalance, which was more marked in the United States than in Canada, caused steel prices to fall an average of 3.5% on the American market to $750 per ton in 2002. The Company obtained an average selling price of $690 per ton on the Canadian market in 2002, 0.4% higher than the average selling price of $687 in 2001.

The decline in shipments combined with lower selling prices worldwide resulted in an 11.1% decrease in the Company's sales, which fell to $522.9 million in 2002 compared to $588.4 million in 2001. Analysis of segmented results shows that sales attributable to Canadian operations declined by 5.9% in 2002 to $382.2 million, while U.S. sales fell 22.8% to $140.7 million.

The Company's cost of sales and operating expenses decreased by $62.9 million or 11.0% in 2002 relative to 2001. Expressed as a proportion of sales, the cost of sales and operating expenses rose slightly to 97.2% of sales from 97.1% in 2001. This caused earnings before interest, taxes, depreciation and amortization (EBITDA) to fall by $4.7 million in 2002 to $11.9 million, compared to $16.6 million in 2001. Consequently, operating profit margins declined from 2.8% last year to 2.3% in 2002.

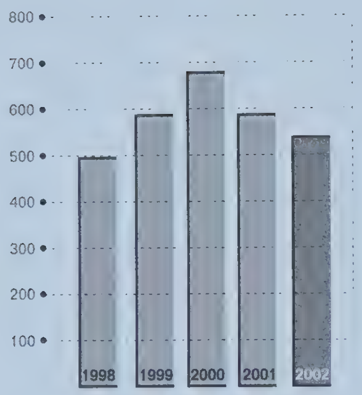
This reduction in gross profit margin is primarily due to non-recurring charges related to U.S. operations of $2.9 million. These charges were incurred as a result of restructuring costs related to the closure of service centres in Piscataway (New Jersey), Schenectady (New York) and Blytheville (Arkansas) and the American head office, as well as a $0.9 million allowance for bad debts. The negative performance of Canadian subsidiary Delta Joists was also a factor in the decrease in gross profit margin, as its activities are closely tied to the U.S. construction industry. However, the decline in gross profit margin seen in 2002 was mitigated by the positive effects of the rationalization and reorganization of the Canadian and American operations.

Interest expenses net of interest income amounted to $9.7 million, down 25.6% from net interest of nearly $13.0 million paid in 2001. The decrease was due to debt reduction and lower interest rates.

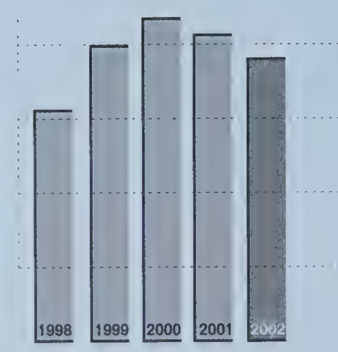
Amortization of fixed assets totalled $8.1 million in 2002, down 2.8% from $8.4 million in 2001.

The Company posted a loss of $6.7 million before income taxes and other items in 2002 compared to $4.6 million the previous year. Income taxes amounted to $6,000 in 2002, while in 2001 the Company recorded an income tax recovery of $2.0 million. The income tax charge for 2002 was mainly attributable to the write-off of future income tax assets and unrecorded tax benefits in the United States.

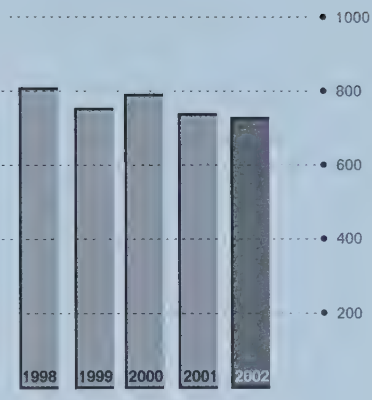
The net loss totalled $6.3 million or $0.75 per share (undiluted and fully diluted) on a weighted average of 10,469,013 outstanding shares in 2002, compared to $3.0 million or $0.42 per share (undiluted and fully diluted) on a weighted average of 10,476,994 outstanding shares in 2001.



SALES
(in millions of $)



SHIPMENTS
(in thousands of tons)



AVERAGE SELLING PRICE
($/ton)

CASH FLOW

Funds from operations grew to $5.1 million in 2002, up from $3.4 million in 2001. This improvement was essentially due to lower interest expenses.

On the strength of good working capital management, particularly through better inventory rotation relative to shipping volumes, net changes in non-cash working capital items contributed $27.1 million to cash flow from operations in 2002 compared to $29.2 million in 2001. Consequently, operating activities generated $32.2 million in cash in 2002 compared to $32.6 million the previous year.

Cash flow used for investing activities amounted to $7.3 million in 2002, $4.4 million higher than the $2.9 million used in 2001. The increase is mainly due to the $1.4 million increase in acquisitions of capital assets, as well as a decrease of $3.5 million in net proceeds from the sale of capital assets.

Financing activities required net cash of $22.5 million in 2002 compared to $26.7 million in 2001. In the last year, the Company significantly reduced its inventories, renewed its credit facilities and modified its debt structure, allowing for a $22.4 million reduction in long-term debt. In 2001, $26.1 million in cash was used to repay bank loans ($15.2 million), reduce long-term debt ($3.1 million) and buy back convertible debentures ($7.8 million).

The cash flows described above, combined with the other transactions during the year, generated $2.4 million in cash for 2002 compared to $3.6 million in 2001. The Company therefore ended the year with $3.1 million in cash at November 2, 2002 compared to $0.7 million at November 3, 2001.

FINANCIAL POSITION

At November 2, 2002, the Company had total assets of $305.9 million, compared to $332.0 million at November 3, 2001. The 7.9% decrease was primarily due to a $25.0 million reduction in inventories related to the Company's strategy of improving asset management and optimizing assets, thus reducing its cash requirements.

At November 2, 2002, the Company had working capital of $55.0 million, up from $43.6 million at November 3, 2001. The working capital ratio was 1.35:1 on November 2, 2002 compared to 1.23:1 at the end of last year.

Always mindful of increasing shareholder value, Leroux Steel employs a conservative approach to debt so as to avoid any undue exposure to interest rate fluctuations. The long-term debt-to-equity ratio improved to 0.21:1 at the end of fiscal 2002 compared to 0.37:1 as at November 3, 2001. Total debt also fell to 49% of capital invested at November 2, 2002 from 52% at the end of fiscal 2001.

Shareholders' equity stood at $122.5 million at November 2, 2002, down slightly from $129.0 million a year earlier. The $6.5 million or 5.1% change was essentially due to the net loss for the year, which was partially offset by an increase of nearly $2.0 million in the equity component of the convertible debentures. This in turn caused the book value of the shares to decline by 7.5% to $10.03.

RISKS AND UNCERTAINTIES

Leroux Steel attempts to mitigate the cyclical price fluctuations in the steel industry through increasingly effective management of its inventories and operating expenses. Furthermore, the Company is able to reduce the impact of downward fluctuations likely to affect certain market niches or product categories due to its diversified products and services, pool of suppliers and geographic markets.

Because a significant portion of its activities is conducted in foreign currencies, the Company is sensitive to fluctuations in the exchange rate. The Company manages this by trading in currency futures contracts when required.

Any substantial increase in interest rates could negatively affect Leroux Steel's performance due to its level of indebtedness and to the resulting negative impact on corporate investment and consequently on demand for steel products. Management seeks to mitigate the impact of rate increases through derivative instruments such as interest rate caps and swaps.

OUTLOOK

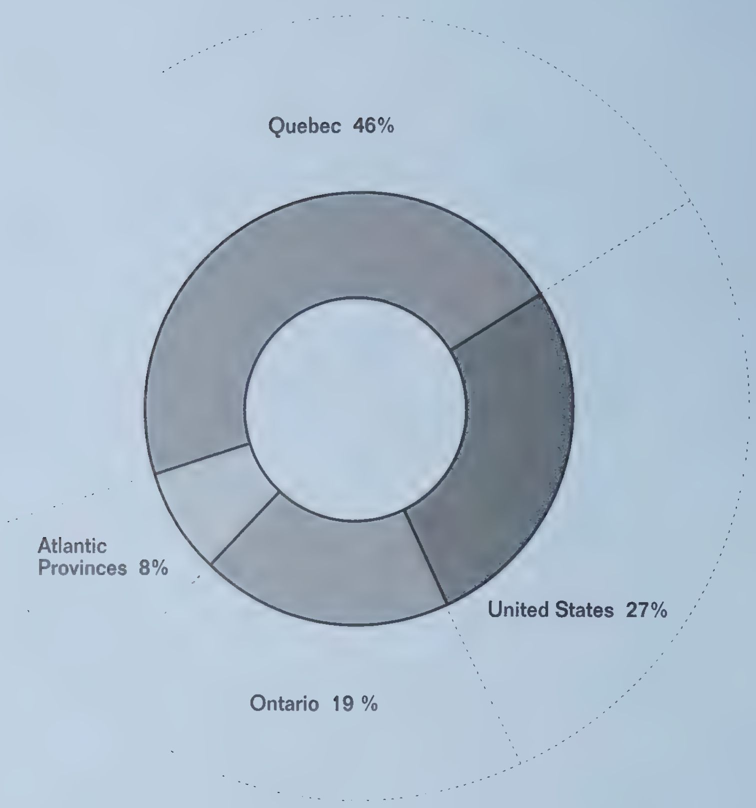
The Company remains extremely cautious about the future. Despite the complexity of the present international geopolitical situation and a North American market that will likely remain challenging for the first part of 2003, Leroux Steel is maintaining a proactive stance and continuing to improve its operations. The Company is according particular attention to cutting costs, optimizing its distribution network, broadening its product range and improving customer service.

In conjunction with these various measures, which will help stimulate internal growth and expand the sphere of its activities, the Company will also continue to work on inventory management. The focus will be on extracting cash from its activities to be applied to strengthening its balance sheet.

DISCLAIMER

With the exception of historic information, this analysis may contain information and declarations of a speculative nature with regard to the Company's future performance. These are made based on assumptions, uncertainties and management's best estimates with regard to future events. Such factors might include, but are not limited to, fluctuations in quarterly results, changes in client demand for the Company's services and the impact of competitive price pressures, as well as general market trends and changing economics. Consequently, readers are advised that actual results may be different than expected results.

GEOGRAPHIC MARKETS
(in % of sales)



SELECTED QUARTERLY FINANCIAL INFORMATION
(in thousands of dollars, except per share data) (unaudited)

	Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
For the fiscal year ended November 2, 2002					
Sales	$ 522,901	$ 117,377	$ 126,711	$ 138,794	$ 140,019
Net income (net loss)	$ (6,330)	$ (1,879)	$ (1,042)	$ 1,293	$ (4,702)
Earnings (loss) per share					
Basic	$ (0.75)	$ (0.22)	$ (0.13)	$ 0.08	$ (0.48)
Fully diluted	$ (0.75)	$ (0.22)	$ (0.13)	$ 0.08	$ (0.48)
For the fiscal year ended November 3, 2001					
Sales	$ 588,382	$ 144,267	$ 142,036	$ 144,116	$ 157,963
Net income (net loss)	$ (3,021)	$ 62	$ (1,925)	$ (1,941)	$ 783
Loss per share					
Basic	$ (0.42)	$ (0.01)	$ (0.20)	$ (0.20)	$ (0.01)
Fully diluted	$ (0.42)	$ (0.01)	$ (0.20)	$ (0.20)	$ (0.01)

MANAGEMENT REPORT

Management is responsible for the integrity and fair presentation of the consolidated financial statements and other information in the annual report. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles of Canada. Financial and operating data elsewhere in the annual report are consistent with those contained in the consolidated financial statements.

The Company's policy is to maintain systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide assurance that the financial information is accurate and reliable and that assets are adequately accounted for and safeguarded.

The consolidated financial statements have been reviewed by the Audit Committee and have been approved by the Board of Directors. In addition, the consolidated financial statements have been audited by Samson Bélair/Deloitte & Touche, Chartered Accountants.

In the opinion of management, these financial statements incorporate, within reasonable limits, all important elements and data available at January 17, 2003.

Chairman of the Board and Chief Executive Officer,

Gilles Leroux
January 17, 2003

AUDITORS' REPORT

To the Shareholders of Leroux Steel Inc.

We have audited the consolidated balance sheet of Leroux Steel Inc. as at November 2, 2002 and the consolidated statements of loss, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted accounting principles. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 2, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at November 3, 2001 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated December 3, 2001.

Samson Bélair
Deloitte & Touche

Samson Bélair/Deloitte & Touche
Chartered Accountants
Montreal, Canada
January 17, 2003

CONSOLIDATED BALANCE SHEETS

(in thousands of dollars)

as at November 2, 2002 and November 3, 2001	November 2, 2002 $	November 3, 2001 $
ASSETS		
CURRENT ASSETS		
Cash and term deposits	**3,650**	2,576
Accounts receivable	**103,287**	104,503
Inventories	**97,486**	122,469
Income taxes receivable	**6,483**	3,421
Future income taxes	**–**	1,662
Prepaid expenses	**1,972**	2,307
Current portion of investment (Note 7)	**12**	12
	212,890	236,950
INVESTMENT (Note 7)	**427**	439
CAPITAL ASSETS (Note 8)	**88,737**	91,039
FUTURE INCOME TAXES	**12**	1,514
GOODWILL, at amortized cost	**1,500**	1,688
DEFERRED CHARGES, at amortized cost (Note 9)	**2,108**	277
OTHER ASSETS, at cost	**226**	96
	305,900	332,003
LIABILITIES		
CURRENT LIABILITIES		
Bank overdraft	**574**	1,866
Bank loans (Note 10)	**90,671**	88,698
Accounts payable	**58,765**	55,497
Future income taxes	**74**	28
Current portion of debt component of the convertible debentures (Note 15)	**1,092**	952
Current portion of long-term debt (Note 11)	**6,669**	46,312
	157,845	193,353
LONG-TERM DEBT (Note 11)	**18,442**	1,284
FUTURE INCOME TAXES	**2,815**	2,552
NON-CONTROLLING INTEREST	**2,066**	2,453
DEBT COMPONENT OF THE CONVERTIBLE DEBENTURES (Note 15)	**2,249**	3,341
	183,417	202,983
CONTINGENCIES AND COMMITMENTS (Notes 12 and 13)		
SHAREHOLDERS' EQUITY		
Share capital (Note 14)	**34,774**	34,774
Convertible debentures (Note 15)	**17,468**	15,515
Cumulative translation adjustment	**2,932**	3,526
Retained earnings	**67,309**	75,205
	122,483	129,020
	305,900	332,003

Approved on behalf of the Board,

Gilles Leroux, Director

Claude Perrotte, Director

CONSOLIDATED STATEMENTS OF LOSS

(in thousands of dollars)

For the years ended	November 2, 2002 $	November 3, 2001 $
SALES	**522,901**	588,382
COST OF SALES AND EXPENSES		
Cost of sales and operating expenses	**508,471**	571,359
Interest on long-term debt and on convertible debentures (including amortization of deferred charges of $33; $36 in 2001)	**3,019**	4,585
Other interest	**6,653**	8,408
Amortization of capital assets	**8,121**	8,356
Amortization of goodwill	**188**	188
Amortization of deferred charges	**268**	90
	526,720	592,986
RESTRUCTURING CHARGES (Note 4)	**2,876**	–
LOSS BEFORE INCOME TAXES AND OTHER ITEMS	**(6,695)**	(4,604)
INCOME TAXES (Note 6)	**6**	(2,008)
LOSS BEFORE OTHER ITEMS	**(6,701)**	(2,596)
SHARE IN NET EARNINGS OF THE COMPANY SUBJECT TO SIGNIFICANT INFLUENCE	**–**	2
NON-CONTROLLING INTEREST	**371**	(427)
NET LOSS	**(6,330)**	(3,021)
NET LOSS PER SHARE	**(0.75)**	(0.42)
NET LOSS PER SHARE – FULLY DILUTED	**(0.75)**	(0.42)
AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE YEAR	**10,469,013**	10,476,994

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(in thousands of dollars)

For the years ended	November 2, 2002 $	November 3, 2001 $
BALANCE, BEGINNING OF YEAR	**75,205**	79,652
Net loss	**(6,330)**	(3,021)
Accretion of equity component of the convertible debentures (less income taxes of $347 ($394 in 2001))	**(1,566)**	(1,375)
Premium on purchase of Class B subordinate shares	**–**	(51)
BALANCE, END OF YEAR	**67,309**	75,205

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of dollars)

For the years ended	November 2, 2002 $	November 3, 2001 $
OPERATING ACTIVITIES		
Net loss	**(6,330)**	(3,021)
Items not affecting cash and cash equivalents		
Amortization	**8,610**	8,670
Non-controlling interest	**(371)**	427
Future income taxes	**1,758**	(2,757)
Gain on disposal of capital assets	**(12)**	(198)
Write-down of assets	**1,478**	–
Loss on purchase of convertible debentures	**–**	234
Share in net earnings of the company subject to significant influence	**–**	(2)
	5,133	3,353
Net changes in non-cash working capital items	**27,059**	29,220
	32,192	32,573
INVESTING ACTIVITIES		
Business acquisitions	**–**	(654)
Reimbursement of a mortgage	**12**	12
Acquisition of capital assets	**(7,338)**	(5,889)
Proceeds from disposal of capital assets	**140**	3,601
Acquisition of other assets	**(150)**	(15)
Proceeds from disposal of other assets	**15**	5
	(7,321)	(2,940)
FINANCING ACTIVITIES		
Changes in bank loans	**2,576**	(15,154)
Increase in long-term debt	**24,008**	398
Repayment of long-term debt	**(46,384)**	(3,096)
Deferred financing expenses	**(2,118)**	–
Purchase of Class B subordinate shares	**–**	(353)
Purchase of convertible debentures	**–**	(7,815)
Payments on convertible debentures, net of interest expense	**(565)**	(643)
	(22,483)	(26,663)
Effect of exchange rate changes on cash	**(22)**	591
Cash and cash equivalents increase	**2,366**	3,561
Cash and cash equivalents, beginning of year	**710**	(2,851)
CASH AND CASH EQUIVALENTS, END OF YEAR	**3,076**	710
Cash flows include the following items:		
Interest paid	**10,058**	12,587
Income taxes (received) paid	**(443)**	11,055
Cash and cash equivalents are comprised of:		
Cash	**2,489**	1,440
Term deposits (bearing interest at 4.25% (3.45% in 2001))	**1,161**	1,136
Bank overdraft	**(574)**	(1,866)
	3,076	710

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended November 2, 2002 and November 3, 2001 (tabular amounts are in thousands of dollars)

1. DESCRIPTION OF THE BUSINESS

The Company, incorporated under Part IA of the *Companies Act* (Québec), operates mainly as a steel products distributor in Canada and the United States.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Financial year-end

The year ended November 2, 2002, includes 52 weeks compared to 53 weeks for the year ended November 3, 2001

b) Consolidation

The consolidated financial statements, expressed in Canadian dollars, include the accounts of the Company and those of its subsidiaries:

Subsidiaries' name	Ownership interest
Delta Joists Inc. and its subsidiary, Delta Steel Joist, Inc.	66.67 %
Dollard Steel Inc.	100.00 %
Armabec Inc.	100.00 %
Boen Steel Corp.	100.00 %
E. Ennis and Company Limited	100.00 %
Federal Pipe and Steel Corporation and its joint venture, FederAlpha Steel, LLC, owned at 50%	100.00 %
Richler Steel Corporation	100.00 %
Transfo-Métal Inc.	100.00 %
3891810 Canada Inc.	100.00 %

The Company's interest in the joint venture, FederAlpha Steel, LLC, is accounted for using the proportionate consolidation method.

c) Use of estimates

The presentation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

d) Foreign currency translation

Self-sustaining subsidiaries

Foreign subsidiaries of the Company are considered self-sustaining. As a result, their financial statements are converted according to the current rate method.

Based on this method, assets and liabilities are converted at the exchange rate in effect at the balance sheet date and revenue and expense items are translated at the average year rate. Translation adjustments resulting from exchange rate fluctuations are included in Cumulative translation adjustment in the Shareholders' Equity.

Foreign currency transactions

Except for transactions for which the Company has entered into forward foreign exchange contracts, monetary assets and liabilities are translated into Canadian dollars at the exchange rate prevailing at year-end and nonmonetary assets and liabilities at their historical rate. Revenue and expense accounts are translated using the average exchange rates prevailing during the year, except for inventories and amortization which are translated at their historical rates. Translation gains and losses are included in the statements of loss.

Monetary items in foreign currencies included in current assets and liabilities, hedged by forward foreign exchange contracts, are translated using the average exchange rate of these contracts prevailing at year-end. Gains and losses on forward foreign exchange contracts are included in the revenue in the same period as the related export sales.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Derivative financial statements

The Company manages its foreign exchange exposure through the use of derivative financial instruments. Derivatives used are part of the Company's risk management strategy, are initially designated as a hedge, and their effectiveness is monitored on a constant basis. The Company does not use derivatives for trading purposes.

f) Revenue recognition

Almost all revenue is generated from the sale of steel and revenue is recognized as units are delivered.

g) Inventory valuation

Inventories are valued at the lower of cost and net realizable value, the cost being determined using the average cost method.

h) Investment

The interest in the company subject to significant influence is accounted for using the equity method until July 29, 2001, when the Company acquired control and began to consolidate the accounts of that company.

i) Capital assets

Capital assets are accounted for at cost.

Amortization of capital assets is calculated using the following methods and rates:

	Methods	Rates
Buildings	Straight-line	2½% and 5%
Land improvements	Straight-line	5%
Machinery and equipment	Straight-line	5% and 10%
Leasehold improvements	Straight-line	12½% and 20%
Automotive equipment	Straight-line	20%
Furniture	Diminishing balance	20%
Office technology, computer and telephone systems	Straight-line	8%, 20% and 33⅓%

j) Goodwill

Goodwill is recorded at cost and amortized over a 15-year period, using the straight-line method. The Company assesses annually the recoverability of the unamortized cost of goodwill and the period over which the economic benefits will subside. The recoverability is based on the sales from current customers and an estimate of future operating profit.

k) Deferred charges

The financing expenses are amortized on the straight-line method over the term of the debt.

Issue expenses related to the debt component of the debentures are amortized using the straight-line method over the term of the debentures.

The other expenses are amortized using the straight-line method over a three to five-year period.

l) Income taxes

Income taxes are provided for using the liability method. Under this method, future income tax assets and liabilities are determined based on all temporary differences between the carrying amounts and tax bases of assets and liabilities using substantively enacted tax rates and laws expected to be in effect when the differences reverse.

m) Net earnings per share

To calculate the net earnings per share, the accretion of the equity component of the convertible debentures is deducted from net income or added to net loss.

The net earnings per share are determined by using the weighted average number of shares outstanding during the year. The treasury stock method is used to calculate the diluted earnings per share. This method assumes that the proceeds received upon exercise or conversion of dilutive securities would be used to purchase subordinate shares at the average market price during the year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Pension plans

The Company has defined benefit pension plans covering certain of its employees. The cost of pension benefits earned by employees is determined using the projected benefit method prorated on services. Pension costs are determined periodically by independent actuaries. Pension expense is charged to operations and includes:

i. the cost of pension benefits provided in exchange for employees' services rendered during the year;

ii. the interest cost of pension obligations, the return on pension fund assets and the amortization of cumulative unrecognized net actuarial gains and losses in excess of 10% of the greater of the projected benefit obligation or market-related value of plan assets over the expected average remaining service life of the employee group covered by the plans.

The pension plans are funded through contributions determined in accordance with the projected unit credit actuarial cost method prorated on services.

o) Stock option plan

The Company has a stock option plan where options to purchase subordinate shares are issued to directors and officers. No compensation expense is recognized for these plans when shares or share options are issued. Any consideration paid on the exercise of options is credited to share capital.

p) Cash and cash equivalents

The Company's cash and cash equivalents include cash and bank overdraft representing outstanding cheques and term deposits, maturing within three months. Bank loans or bank overdraft representing credit facility are not included in cash and cash equivalents. They are considered as a financing activity.

3. CHANGE IN ACCOUNTING POLICIES

During the year 2001, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to the calculation of diluted earnings per share. The change in accounting policy has been applied retroactively and had no impact on the diluted earnings per share for the year ended November 3, 2001.

During the year 2001, the Company adopted retroactively the new recommendations of the Canadian Institute of Chartered Accountants concerning income taxes. The change in accounting policy had no significant impact on the Company's retained earnings as at October 29, 2000 and on the net loss for the year ended November 3, 2001.

4. RESTRUCTURING CHARGES

During the year 2002, as part of the restructuring plan, the Company's management decided to close three service centers, as well as the head office of Federal Pipe and Steel Corporation, a subsidiary of the Company. All those service centre operations stopped during the year except for the New Jersey service centre whose activities stopped at the end of November 2002.

The restructuring charges totaling $2,876,000 are comprised of the following items:	$
Write-down of assets	1,478
Termination payments	126
Moving and repairs charges	533
Rent	503
Others	236

The accounts payable include an amount of $659,000 relating to those restructuring charges.

5. INTEREST IN A JOINT VENTURE AND BUSINESS ACQUISITIONS

a) Interest in a joint venture

On July 15, 2002, Federal Pipe and Steel Corporation and Alpha Steel Corporation combined their respective commercial activities in the American Midwest region and formed FederAlpha Steel, LLC, a joint venture owned at 50% by each of them.

Net assets contributed by both companies are as follows:

	Federal Pipe and Steel Corporation $	Alpha Steel Corporation $	Total $	Prorata share $
Inventories	13,818	13,548	27,366	13,683
Capital assets	2,890	2,900	5,790	2,895
Other assets	–	185	185	92
Total assets	16,708	16,633	33,341	16,670
Bank loan	8,770	8,770	17,540	8,770
Accounts payable	3,073	3,073	6,146	3,073
Accounts payable – related company	248	174	422	211
Subordinate notes	3,366	3,366	6,732	3,366
Total liabilities	15,457	15,383	30,840	15,420

The consolidated financial statements of Leroux Steel Inc. as at November 2, 2002 included the following amounts related to its interest in the assets, liabilities, earnings and cash flows of FederAlpha Steel, LLC, accounted for using the proportionate consolidation method.

	$
ASSETS	
Short-term assets	22,867
Long-term assets	3,082
LIABILITIES	
Short-term liabilities	25,370
EARNINGS	
Sales	20,387
Total expenses	21,081
Net loss	694
CASH FLOWS	
Cash flows related to operating activities	(3,580)
Cash flows related to investing activities	(115)
Cash flows related to financing activities	3,596

5. INTEREST IN A JOINT VENTURE AND BUSINESS ACQUISITIONS (continued)

b) Business acquisitions

On July 29, 2001, the Company acquired an additional share of 20% in Transfo-Métal Inc. (representing 20,000 shares) for a cash consideration of $166,073, bringing its interest to 60%. The transaction was accounted for under the purchase method. Operating results of Transfo-Métal Inc. are included in these consolidated financial statements from the date of acquisition based on the Company's interest. The Company acquired operates mainly in the steel transformation industry.

Net assets acquired as at July 29, 2001 were as follows:	$
Cash and cash equivalents	(6)
Current assets	621
Capital assets	1,288
Other long-term assets	3
Current liabilities	(685)
Long-term debt	(6)
Future income taxes	(235)
Non-controlling interest	(332)
	648
Less: investment at equity method	482
Net assets, acquired	166
Cash consideration	166

On November 2, 2001, the Company acquired the remaining interest of 40% in Transfo-Métal Inc. for a cash consideration of $332,000.

On October 1, 2001, Dollard Steel Inc., a wholly-owned subsidiary of the Company, acquired the assets of a company representing mainly capital assets for a cash consideration of $150,001. The transaction was accounted for under the purchase method.

6. INCOME TAXES

Income taxes result from the following:

	November 2, 2002 $	November 3, 2001 $
Income tax recovery based on basic rate	**(2,258)**	(1,624)
Surtaxes and large corporations tax	**280**	260
Non-deductible items	**189**	146
Income tax rate adjustment	**–**	(500)
Future income taxes adjustment	**–**	54
Write-off of future income tax assets related to losses	**2,366**	–
Recognition of previously unrecorded tax benefits of subsidiaries	**–**	(54)
Rate variance – US subsidiaries	**(571)**	(290)
Income taxes	**6**	(2,008)
Income taxes break down as follows:		
Current (recovery)	**(1,752)**	749
Future	**1,758**	(2,757)
	6	(2,008)

6. INCOME TAXES (continued)

Future income tax assets and liabilities result from the following:

	November 2, 2002 $	November 3, 2001 $
FUTURE INCOME TAX ASSETS		
Short-term		
Tax losses carried forward	–	1,662
Long-term		
Tax losses carried forward	**12**	1,514
FUTURE INCOME TAX LIABILITIES		
Short-term		
Holdbacks on contracts	**74**	28
Long–term		
Capital assets	**2,815**	2,552

Tax benefits available

Federal Pipe and Steel Corporation has accumulated losses for tax purposes for future years amounting to US$1,180,000 at the federal level which can be applied against future taxable income. The losses were incurred during the years ended in 1993 and 1994. Those losses can be carried forward on a 15-year period and a maximum of US$278,000 can be used annually. No future income tax assets relating to these losses have been accounted for.

7. INVESTMENT

	November 2, 2002 $	November 3, 2001 $
Mortgage loan, 8%, payable by monthly instalments of $1,000 up to 2019	**439**	451
Current portion	**12**	12
	427	439

8. CAPITAL ASSETS

	November 2, 2002		
	Cost $	**Accumulated Amortization $**	**Net Book Value $**
Land	**9,531**	**–**	**9,531**
Buildings	**59,276**	**9,616**	**49,660**
Land improvements	**1,798**	**385**	**1,413**
Machinery and equipment	**32,935**	**17,653**	**15,282**
Leasehold improvements	**2,194**	**832**	**1,362**
Automotive equipment	**5,424**	**4,706**	**718**
Furniture, office technology, computer and telephone systems	**23,055**	**12,284**	**10,771**
	134,213	**45,476**	**88,737**

8. CAPITAL ASSETS (continued)

	November 3, 2001		
	Cost $	Accumulated Amortization $	Net Book Value $
Land	9,547	-	9,547
Buildings	60,775	8,112	52,663
Land improvements	1,790	309	1,481
Machinery and equipment	35,322	18,410	16,912
Leasehold improvements	2,555	1,579	976
Automotive equipment	5,851	4,963	888
Furniture, office technology, computer and telephone systems	18,350	9,778	8,572
	134,190	43,151	91,039

Revenue producing properties have a cost of $1,279,116 ($1,279,116 in 2001) and accumulated amortization of $293,387 ($267,087 in 2001).

9. DEFERRED CHARGES

	November 2, 2002 $	November 3, 2001 $
Financing expenses	**1,944**	–
Issue expenses related to the debt component of the debenture	**117**	149
Other charges	**47**	128
	2,108	277

10. BANK LOANS

The Company and certain Canadian subsidiaries have credit facilities of $100,000,000 ($80,000,000 in 2001) bearing interest at variable rates established under conditions described in the credit agreements. On November 2, 2002, the effective rate was 5.35% based on the bank acceptance equivalent rate plus an applicable margin. The credit facilities of the Company are maturing on August 31, 2005.

The credit facilities are secured by a collateral mortgage of $200,000,000 and by all properties, real and personal, movable and immovable including without limitation all accounts, inventories, equipment, contract rights, letters of credit, general intangibles, investment properties, cash and cash equivalents, deposit accounts, books, records, computer software and real estate of the Company and its subsidiaries, excluding Delta Joists Inc., Federal Pipe and Steel Corporation and its joint venture, FederAlpha Steel, LLC and 3891810 Canada Inc.

Under the credit agreement conditions, the Company and some of its Canadian subsidiaries must satisfy certain covenants as to minimum financial ratios for each period of four consecutive quarters and must also satisfy several conditions at all times as described in the credit agreement.

Delta Joists Inc. has credit facilities renewable annually of $5,000,000, bearing interest at prime rate plus 0.5%. On November 2, 2002, the effective rate was 4.60%. The credit facilities are secured by all inventories, actual and future receivables, by a cession and subordination of the parent company's receivables and those of its subsidiary Delta Steel Joist, Inc. for an amount of $5,000,000, by shareholders and by a first ranking movable hypotec of an amount of $750,000 on all equipment and all actual and future other assets. Under the credit agreement, Delta Joists Inc. must satisfy certain covenants as to minimum financial ratios at all times.

Federal Pipe and Steel Corporation and its joint venture FederAlpha Steel, LLC have credit facilities of US$20,750,000 (US$25,000,000 in 2001) bearing interest at variable rates established under conditions described in the credit agreements. On November 2, 2002, the effective rate was 4.75% based on the prime rate plus 0.50%. These credit agreements mature on July 9, 2005 and are secured by all their assets, current and future. Under the credit agreements, Federal Pipe and Steel Corporation and its joint venture must satisfy certain covenants as to minimum financial ratios and must also satisfy several conditions under the credit agreements.

10. BANK LOANS (continued)

As at November 2, 2002, Federal Pipe and Steel Corporation and its joint venture are not in compliance with certain financial ratios. Creditors have not waived the obligations to meet those financial ratios.

Furthermore, Federal Pipe and Steel Corporation and its joint venture do not respect certain financial ratios as at February 1, 2003 and are expecting not to respect certain financial ratios during the year ending November 1, 2003. Federal Pipe and Steel Corporation and its joint venture are currently in discussion with lenders in order to modify financial ratios provided in their credit facilities.

11. LONG-TERM DEBT

	November 2, 2002 $	November 3, 2001 $
Term loan of a maximum of $20,000,000, subject to the same securities as those described in Note 10, repayable in monthly instalments of $256,410, starting on February 1, 2003, bearing interest at variable rates established under conditions described in the credit agreement and maturing on August 31, 2005. As at November 2, 2002, the effective rate was 5.85% based on bank acceptances plus an applicable margin	**20,000**	–
Term loan, of Federal Pipe and Steel Corporation and its joint venture, of a maximum of US$2,548,125, subject to the same securities as those described in Note 10, repayable in monthly instalments of US$22,764, bearing interest at variable rates established under conditions described in the credit agreement and maturing on July 9, 2005. As at November 2, 2002, the effective rate was 5% based on prime rate plus 0.75%. As at November 2, 2002, Federal Pipe and Steel Corporation and its joint venture are not in compliance with certain financial ratios described in Note 10 and, accordingly, the debt has been reclassified as current debt	**3,827**	–
Loans at rates up to 9.25%, secured by buildings having a net book value of $4,114,343, maturing up to 2010	**930**	6,387
Loans at rates up to 9.72%, secured by machinery, automotive equipment and computer software having a net book value of $914,546, maturing up to 2005	**354**	1,407
Term loan of a maximum of $40,000,000, secured by accounts receivable and inventories of the Company and its subsidiaries and by demand bonds totaling $180,000,000 issued in accordance with a mortgage deed on almost all of the Company's property in Canada, bearing interest at variable rates established under conditions described in the credit agreement, and completely reimbursed on August 16, 2002	**–**	39,802
	25,111	47,596
Current portion	**6,669**	46,312
	18,442	1,284

Principal payments required for the next five years are as follows:

	$
2003	6,669
2004	3,286
2005	14,723
2006	102
2007	102

12. CONTINGENCIES

The Company is involved in litigations and claims associated with normal course of operations. Moreover, a subsidiary's shareholder instituted proceedings in the amount of $5,000,000 for damages and interest and oppression.

The Company has contested these claims and in the opinion of its legal counsel, these lawsuits are not founded; consequently, it is unlikely that they will have a significant impact on the financial position of the Company and its subsidiaries. Therefore, no provision was recorded in the financial statements. Any settlement resulting from these proceedings will be charged to earnings in the year incurred.

13. COMMITMENTS

As at November 2, 2002, the balance of commitments under lease agreements for premises, office technology, automotive equipment and computer support and maintenance amounts to $19,299,611, including the amount of $3,254,984 from the joint venture FederAlpha Steel LLC. The minimum rental payments for the next five years are as follows:

	$
2003	5,211
2004	4,803
2005	3,541
2006	2,899
2007	2,178

The Company has provided a letter of guaranty for an amount of $500,000 and a letter of credit for an amount of US$1,969,380 (US$1,350,000 in 2001) maturing in December, 2002.

14. SHARE CAPITAL

Authorized, in unlimited number, without par value

Class A shares, entitled to ten votes per share. Each share is convertible, at the option of its holder, into one Class B subordinate share

Class B subordinate shares, entitled to one vote per share, convertible under certain circumstances into Class A shares

Preferred shares, issuable in series

	November 2, 2002 **$**	November 3, 2001 $
Issued		
3,550,567 Class A shares	**5,135**	5,135
6,918,446 Class B subordinate shares	**29,639**	29,639
	34,774	34,774

a) Transactions during the years

In 2001, purchase of 70,500 Class B subordinate shares for a cash consideration of $353,205.

b) Reserved shares

6,832,843 Class B subordinate shares have been reserved for the following:

745,000 for the stock option plan.

2,537,276 to cover the conversion rights related to the debentures described in Note 15.

3,550,567 to cover the conversion rights related to Class A shares.

c) Stock option plan

Under the Stock option plan (the "plan"), options are granted to directors and officers. The plan establishes that each year options are granted based on certain conditions described in the plan, at a price equal to the closing price of the related shares on the day preceding the granting of the options. Options generally may be exercised between the third or the fifth anniversary and the seventh anniversary of the date of grant. As at November 2, 2002, the expiry dates extend to March 19, 2012.

14. SHARE CAPITAL (continued)

c) Stock option plan (continued)

As of November 2, 2002, 369,000 options were issued and outstanding as follows:

	Options outstanding			Options exercisable	
Range of exercice price	Number	Weighted-average remaining contractual life	Exercise price, weighted-average $	Number	Exercise price, weighted-average $
4.00 to 5.50	361,000	5.2	5.13	257,000	5.07
5.51 to 7.00	8,000	4.7	7.00	8,000	7.00
	369,000	5.2	5.17	265,000	5.13

During the year, the number of options has changed as follows:

	November 2, 2002		November 3, 2001	
	Exercise price, weighted-average $	**Number of options**	Exercise price, weighted-average $	Number of options
Balance, beginning of year	**5.20**	**400,000**	5.20	462,000
Granted	**4.41**	**34,000**	5.35	32,000
Cancelled	**4.94**	**(65,000)**	5.26	(94,000)
Balance, end of year	**5.17**	**369,000**	5.20	400,000
Options exercisable at year-end		**265,000**		272,000

d) Earnings per share

	November 2, 2002		
	Loss $	**Shares**	**Per share amount $**
BASIC AND DILUTED LOSS PER SHARE			
Loss available to common shareholders	**(6,330)**		
Plus: accretion of equity component of the convertible debentures	**(1,566)**		
Loss available to common shareholders	**(7,896)**	**10,469,013**	**(0.75)**

14. SHARE CAPITAL (continued)

d) Earnings per share (continued)

	November 3, 2001		
	Loss $	Shares	Per share amount $
BASIC AND DILUTED LOSS PER SHARE			
Loss available to common shareholders	(3,021)		
Plus: accretion of equity component of the convertible debentures	(1,375)		
Loss available to common shareholders	(4,396)	10,476,994	(0.42)

The securities that could potentially dilute basic earnings per share in the future, but that were not considered in the diluted loss per share since they were anti-dilutive on November 2, 2002 and November 3, 2001, are the convertible debentures and stock options.

15. CONVERTIBLE DEBENTURES

On July 21, 1994, the Company issued subordinated debentures with a par value of $8,158,000, 8%, convertible at the holder's option into Class B subordinated shares at a conversion price of $7 per share up to maturity date on August 4, 2004. The debentures are redeemable up to their maturity date at par plus accrued and unpaid interest provided that the weighted average trading price of the subordinate voting shares on Stock Exchange during the 20 consecutive trading days ending five days before the date on which the notice of redemption was given is at least $8.75 from August 6, 1999 to August 4, 2001 and is at $7 thereafter. The Company may, at its option, pay the principal amount in freely tradeable subordinate shares.

On May 16, 1996, the Company issued an aggregate amount of $19,000,000 in subordinated debentures, 7.25%, convertible at the holder's option into Class B subordinated shares at a conversion price of $6.25 per share at any time prior to May 29, 2001 and at a conversion price of $7.75 per share thereafter and up to maturity date on May 29, 2006. However, from May 29, 1999 to May 29, 2001, the debentures were exchangeable at the Company's option for subordinate voting shares at par plus accrued and unpaid interest, provided that the weighted average trading price of the subordinate voting shares on Stock Exchange during the 20 consecutive trading days ending five days before the date on which the notice of exchange was given exceeded $7.81. On May 30, 2001, they were redeemable at par plus accrued and unpaid interest. After this date, these debentures were redeemable, at par plus accrued and unpaid interest, provided that the weighted average trading price of the subordinate voting shares on Stock Exchange during the 20 consecutive trading days ending five days before the date on which the notice of redemption was given is at least $9.69 from May 31, 2001 to May 29, 2003 and $7.75 thereafter. The Company may, at its option from May 30, 2001, pay the principal amount in freely tradable subordinate shares.

The convertible debentures are presented according to their component parts. The financial liability component representing interest obligation is presented as a liability and the equity component representing the conversion option held by the holder and the settlement option in shares held by the Company is presented in shareholders' equity.

The interest expense related to the liability component is charged to income and the accretion related to the equity component is charged to retained earnings, net of income taxes.

On May 30, 2001, the Company early redeemed subordinated debentures, 7.25%, for a cash consideration of $7,815,500 representing par value. The financial liability component and the equity component were reduced by $2,135,500 and $5,680,000, respectively, based on their relative fair values on May 30, 2001.

A loss amounting to $234,000, included in interest on long-term debt and on convertible debentures for the year ended November 3, 2001, represents the difference between the consideration attributable to the financial liability component and its carrying value at the purchase date. A gain of the same amount has been included in the accretion of equity component of the convertible debentures account in the statements of retained earnings representing the difference between the consideration attributable to the equity component of convertible debentures and its carrying value at the purchase date.

16. PENSION PLANS

The Company has defined benefit pension plans covering certain of its employees. The cost of pension benefits earned by employees is determined using the projected benefit method prorated on services.

Based on most recent actuarial calculations, as at November 2, 2002, the information related to these defined benefit pension plans can be summarized as follows:

	November 2, 2002 $	November 3, 2001 $
ACCRUED BENEFIT OBLIGATION		
Accrued benefit obligation, beginning of year	**5,308**	4,611
Current services cost	**151**	141
Employees' contributions	**44**	59
Interest cost	**329**	317
Benefits paid	**(464)**	(225)
Actuarial (gains) losses	**(90)**	405
Plan amendments	**126**	–
ACCRUED BENEFIT OBLIGATION, END OF YEAR	**5,404**	5,308
PLAN ASSETS		
Fair value of plan assets, beginning of year	**4,478**	5,122
Actual return on plan assets	**(272)**	(407)
Employer contributions	**123**	(71)
Employees' contributions	**44**	59
Benefits paid	**(464)**	(225)
FAIR VALUE OF PLAN ASSETS, END OF YEAR	**3,909**	4,478
ACCRUED BENEFIT LIABILITIES		
Plan deficit	**(1,495)**	(830)
Unamortized actuarial losses	**1,251**	779
Unamortized past service costs	**126**	–
ACCRUED BENEFIT LIABILITIES	**(118)**	(51)

The most important actuarial assumptions used in order to evaluate the accrued benefit obligations can be summarized as follows:

	November 2, 2002 %	November 3, 2001 %
Discount rate	**6.25**	6.75
Expected long-term rate of return on plan assets	**7.00**	8.00
Rate of compensation increase	**3.00**	3.50

The net expense for the Company's benefit plans is as follows:

	November 2, 2002 $	November 3, 2001 $
Current service cost	**151**	141
Interest cost	**329**	317
Expected return on plan assets	**(303)**	(403)
Amortization of actuarial loss	**13**	–
Net benefit plan expense	**190**	55

17. RELATED PARTY TRANSACTIONS

	November 2, 2002 $	November 3, 2001 $
Parent company		
Administrative expenses	850	850
Company subject to significant influence (prior to control acquisition – Refer to Note 5):		
Sales and other revenue	–	83
Purchases and other expenses	–	2,452
Net rental revenue	–	99
Companies under significant influence of a director:		
Sales and other revenue	4,088	5,509
Purchases and other expenses	932	66
Rental revenue	66	133

These transactions are in the normal course of operations and are measured at the exchange amount.

The amounts receivable totalling $1,087,279 ($653,999 in 2001) and the amounts payable totalling $248,654 ($124,733 in 2001) in relation to these transactions, are included in accounts receivable and accounts payable, respectively.

During the year 2001, a subsidiary of the Company sold a building and a piece of land to a company under the significant influence of close relatives of one director. The consideration received amounts to $1,135,000. The transaction has been measured at the carrying value.

18. SEGMENTED INFORMATION

	November 2, 2002			
Geographic segments	Canada $	United States $	Eliminations $	Consolidated $
External revenue	382,155	140,746	–	522,901
Disposal between geographic segments	12,899	584	(13,483)	–
SALES	395,054	141,330	(13,483)	522,901
Interest income	(483)	(157)	303	(337)
Interest expense	7,551	2,761	(303)	10,009
NET INTEREST EXPENSE	7,068	2,604	–	9,672
Amortization	7,258	1,352	–	8,610
Income taxes	2,854	(2,848)	–	6
Net earnings (net loss)	3,931	(10,261)	–	(6,330)
Segmented assets	241,894	64,006	–	305,900
Segmented capital expenditures	7,871	1,913	(600)	9,184

18. SEGMENTED INFORMATION (continued)

Geographic segments	Canada $	United States $	Eliminations $	Consolidated $
	November 3, 2001			
External revenue	405,972	182,410	–	588,382
Disposal between geographic segments	19,635	627	(20,262)	–
SALES	425,607	183,037	(20,262)	588,382
Interest income	(411)	(297)	281	(427)
Interest expense	10,206	3,495	(281)	13,420
NET INTEREST EXPENSE	9,795	3,198	–	12,993
Amortization	7,072	1,598	–	8,670
Income taxes	2,695	(4,703)	–	(2,008)
Share in net earnings of the company subject to significant influence	2	–	–	2
Net earnings (net loss)	4,997	(8,018)	–	(3,021)
Segmented assets	245,343	86,660	–	332,003
Segmented capital expenditures	7,101	830	–	7,931

The Company derives its revenue primarily from the distribution of steel. The reportable segments of Leroux Steel Inc. are operating units managed on a geographical basis. The operating units with similar economic characteristics have been aggregated into larger geographical sectors, according to the disparities of the target markets.

Management of the Company assesses the performance of the operating units aggregated by sector based on net earnings.

The Company accounts for intersegment sales and transfers, if any, at exchange values.

The accounting policies used to determine segment earnings and intersegment transfers, and to measure segment assets are the same as those described in the summary of significant accounting policies.

19. FINANCIAL INSTRUMENTS

a) Foreign exchange risk

The Company realizes a significant portion of its activities in foreign currencies and enters into foreign exchange contracts in order to manage its foreign exchange risk. On November 2, 2002, the Company is committed to sell under foreign exchange contracts US$5.5 million for Canadian dollars (US$10.5 million in 2001) at an average rate of $1.57 ($1.55 in 2001) over a period extending up to January 15, 2003 and to buy US$4.0 million for Canadian dollars (nil in 2001) at an average rate of $1.56 over a period extending up to December 4, 2002.

In addition, the Company is exposed to foreign exchange risk due to sales by a subsidiary on the American market. This risk has been mitigated by the purchases and the operating charges incurred in US currency.

As at November 2, 2002, assets and liabilities include the following amounts transacted in US currency:

	$
Accounts receivable	23,808
Accounts payable	18,527
Bank loans	24,069
Long-term debt	3,827

19. FINANCIAL INSTRUMENTS (continued)

b) Interest rate risk

Federal Pipe and Steel Corporation concluded an interest rate swap agreement to minimize risk associated to interest rate fluctuations on long-term debt. This agreement covers the conversion of floating rates into fixed rates and matures on September 22, 2003. As at November 2, 2002 and November 3, 2001, the subsidiary had obligations on which fixed interest rate of 5.3925% was due on notional amounts of US$3,210,417 and US$3,692,083, respectively. The notional amount used to calculate net interest paid or received on an interest rate swap is not recorded in the financial statements, since this notional amount is not exchanged by the considerations and therefore is not a risk measure. Furthermore, the subsidiary did not designate this financial instrument as an hedge.

c) Credit risk

In the normal course of its operations, the Company evaluates financial conditions of its client and reviews the credit background of new clients. The Company is not exposed to any significant risk with respect to a single client.

d) Fair value of financial instruments

The fair value of cash, accounts receivable, bank overdraft, bank loans and accounts payable approximates their carrying value due to their forthcoming maturities.

The fair value of the mortgage loan, based on the discounted value of future cash flows at the interest rate for a loan with similar terms and conditions and a similar maturity date at the balance sheet date, is $482,471 ($497,783 in 2001).

The fair value of items included in the long-term debt approximates their carrying value since most of them are bearing interest at floating rates or at fixed rates comparable to market rates.

The fair value of the liability component of convertible subordinated debentures, based on the discounted value of future cash flows at the interest rate available to the Company for a loan with similar terms and conditions and a similar maturity date at the balance sheet date, is $3,246,565 ($3,854,743 in 2001).

The fair value of the interest rate swap based on quotes obtained from the Company's broker for similar instruments is negative of $166,031.

The fair value of the foreign exchange contracts based on quotes obtained for similar instruments amounts to $51,405.

20. COMPARATIVE FIGURES

Certain figures for 2001, have been reclassified in order to conform to the presentation adopted in the current year.

10-YEAR FINANCIAL RETROSPECTIVE

(in thousands of dollars except per-share and other data as noted)

	NOVEMBER 2 2002	NOVEMBER 3 2001	OCTOBER 28 2000	OCTOBER 31 1999
FINANCIAL PERFORMANCE				
Shipments (in tons)	741,815	825,303	871,760	796,345
Sales	$ 522,901	$ 588,382	$ 680,961	$ 586,911
Average selling price ($/ton)	$ 705	$ 713	$ 781	$ 737
EBITDA	$ 11,925	$ 16,598	$ 57,631	$ 31,759
Net income (net loss)	$ (6,330)	$ (3,021)	$ 20,588	$ 8,251
Return on average equity (%)	(5.2)	(2.3)	16.4	7.4
Cash flow	$ 5,133	$ 3,353	$ 29,241	$ 14,011
FINANCIAL POSITION				
Total assets	$ 305,900	$ 332,003	$ 400,087	$ 352,868
Long-term debt [1]	$ 25,111	$ 47,596	$ 50,315	$ 52,455
Convertible debentures (liability) [1]	$ 3,341	$ 4,293	$ 7,467	$ 8,526
Total indebtedness [2]	$ 119,123	$ 140,587	$ 164,707	$ 154,908
Equity	$ 122,483	$ 129,020	$ 136,327	$ 114,213
PER-EMPLOYEE DATA				
Number of employees at year-end	1,127	1,238	1,227	1,115
Shipments per employee (in tons) [3]	638	688	753	764
Sales per employee [3]	$ 450	$ 490	$ 589	$ 563
EBITDA per employee [3]	$ 10.3	$ 13.8	$ 49.8	$ 30.5
Assets per employee [4]	$ 271	$ 268	$ 326	$ 316
PER-SHARE DATA				
Net income (net loss)				
Basic	$ (0.75)	$ (0.42)	$ 1.90	$ 0.72
Fully diluted	$ (0.75)	$ (0.42)	$ 1.41	$ 0.59
Cash flow	$ 0.49	$ 0.32	$ 2.78	$ 1.31
Book value [5]	$ 10.03	$ 10.83	$ 11.12	$ 9.11
MARKET PRICE				
LER.A				
High	$ 6.00	$ 9.00	$ 9.00	$ 7.75
Low	$ 3.70	$ 4.25	$ 4.50	$ 4.50
LER.B				
High	$ 5.40	$ 5.90	$ 7.50	$ 6.00
Low	$ 3.01	$ 3.50	$ 3.80	$ 3.80
LER.DB				
High	$ 105.00	$ 105.00	$ 115.00	$ 102.50
Low	$ 91.00	$ 90.00	$ 93.00	$ 94.00
LER.DB.A				
High	$ 101.00	$ 105.00	$ 119.95	$ 105.00
Low	$ 87.00	$ 90.00	$ 95.00	$ 95.00

OCTOBER 31 1998	OCTOBER 31 1997	OCTOBER 31 1996	OCTOBER 31 1995	OCTOBER 31 1994	OCTOBER 31 1993
615,800	500,400	411,600	403,000	238,000	150,000
$ 495,385	$ 370,649	$ 311,450	$ 305,327	$ 161,881	$ 86,644
$ 804	$ 740	$ 757	$ 758	$ 681	$ 578
$ 33,411	$ 21,039	$ 21,559	$ 25,720	$ 13,246	$ 5,824
$ 12,064	$ 9,779	$ 9,687	$ 12,327	$ 6,496	$ 1,432
11.8	10.7	12.9	23.4	20.6	8.5
$ 17,697	$ 13,244	$ 12,918	$ 14,755	$ 7,900	$ 2,745
$ 315,949	$ 243,892	$ 175,375	$ 161,812	$ 127,872	$ 59,332
$ 52,525	$ 37,299	$ 21,901	$ 19,671	$ 11,339	$ 8,740
$ 9,615	$ 10,459	$ 11,212	$ 3,408	$ 3,600	
$ 144,087	$ 86,127	$ 44,016	$ 54,083	$ 55,457	$ 23,181
$ 108,276	$ 96,455	$ 86,022	$ 64,117	$ 41,044	$ 21,902
947	817	579	532	450	219
712	733	764	821	734	732
$ 573	$ 543	$ 578	$ 622	$ 499	$ 423
$ 38.6	$ 30.8	$ 40.0	$ 52.4	$ 40.9	$ 28.4
$ 334	$ 299	$ 303	$ 304	$ 284	$ 271
$ 1.05	$ 0.83	$ 0.83	$ 1.21	$ 0.90	$ 0.31
$ 0.82	$ 0.67	$ 0.72	$ 1.01	$ 0.77	
$ 1.61	$ 1.18	$ 1.14	$ 1.45	$ 1.10	$ 0.59
$ 8.44	$ 7.13	$ 6.22	$ 5.60	$ 4.41	$ 3.44
$ 8.50	$ 7.85	$ 6.50	$ 8.00	$ 7.00	$ 4.95
$ 7.00	$ 7.00	$ 5.50	$ 5.88	$ 4.60	$ 1.80
$ 7.50	$ 5.25	$ 5.25	$ 5.50	$ 5.75	$ 5.00
$ 4.70	$ 4.00	$ 4.15	$ 4.20	$ 4.45	$ 3.25
$ 115.00	$ 115.00	$ 114.00	$ 114.00	$ 117.00	
$ 100.35	$ 99.00	$ 99.25	$ 99.00	$ 99.00	
$ 117.50	$ 118.00	$ 101.50			
$ 100.00	$ 93.00	$ 95.00			

1. Including current portion
2. Including long-term debt, bank loans and the liability component of convertible debentures
3. Based on the weighted average number of employees in service during the year
4. Based on the number of employees at year-end
5. Excluding the equity component of convertible debentures

DIRECTORS AND OFFICERS

Board of Directors

GILLES LEROUX
Chairman of the Board
and Chief Executive Officer
Leroux Steel Inc.

JEAN DOUVILLE *
Chairman of the Board
UAP Inc.

MARCEL E. DUTIL
Chairman of the Board
and Chief Executive Officer
The Canam Manac Group Inc.

ROBERT Y. GIRARD †
Lawyer
Fasken Martineau
Dumoulin LLP

BERNARD LAMARRE *
Chairman of the Board
Bellechasse Health Group Inc.

FRANK MCKENNA †
Lawyer
McInnes, Cooper

CLAUDE PERROTTE *†
Executive Vice-President
and Co-Chief Executive Officer
Group Datamark Systems Inc.

* Member of the audit commitee
† Member of the corporate governance commitee

HEAD OFFICE MANAGEMENT

Leroux Steel Inc. corporate

GILLES LEROUX
Chairman of the Board and
Chief Executive Officer

DANIEL VALLIÈRES, CA, CMA
Chief Financial Officer

RICHARD H. SAMUEL
Executive Vice-President

CATHERINE FRIGON
Vice-President
and General Counsel
Corporate Secretary

EDWARD RICHLER
Vice-President,
Corporate Purchasing

RUSSEL FLANAGAN
Corporate Manager,
Human Resources

JACQUES COUTURE
Corporate Manager,
Operations

SYLVAIN LEROUX
Corporate Manager,
Special Projects

PHILIPPE LEFEBVRE
Accounting Manager

MICHEL VAILLANCOURT
Regional Manager,
Western Quebec

JEAN-CLAUDE CHOUINARD
General Manager
Service Centre
Saint-Augustin-de-Desmaures

PHILIPPE MASSÉ
General Manager
Service Centre
Terrebonne

LOUIS-ANDRÉ FORTIN
General Sales Manager
Western Quebec

MICHEL VAILLANCOURT
General Manager
Service Centre
Boucherville

JOCELYN BOILY
Regional Manager,
Eastern Quebec

MICHEL POIRIER
General Manager
Service Centre
Acier Loubier

LUC AMIOT
General Manager
Service Centre
Rimouski

JACQUES LALANCETTE
General Manager
Service Centre
Amos

JOCELYN BOILY
General Manager
Service Centres
Chicoutimi, Sept-Îles
and Baie-Comeau

NELSON VACHON
General Manager
Service Centre
Mégantic Métal

PETER MAHER
General Manager
Service Centre
Ottawa

GREGG BRYANT
Regional Manager,
Atlantic Provinces

GREGG BRYANT
General Manager
Service Centres
Halifax and Sackville

DOUGLAS P. BILLYARD
Regional Manager,
Ontario

DOUGLAS P. BILLYARD
General Manager
Service Centres
Cambridge
and Port Robinson

SUBSIDIARIES

Armabec Inc.
Longueuil
GILBERT PINEAULT
General Manager

Richler Steel Corporation
Boucherville
DANIEL LECLERC
General Manager
Sales, Marketing and Operations

Delta Joists Inc.
Sainte-Marie-de-Beauce
GILLES LACHANCE
President

Transfo-Métal Inc.
Boucherville
DANIEL LECLERC
General Manager
Sales, Marketing and Operations

Dollard Steel Inc.
Montreal
NORTON PAISH
General Manager

Federal Pipe and Steel Corporation
Manchester, NH
GILLES LEROUX
President

RICHARD H. SAMUEL
Executive Vice-President

JOINT VENTURE

FederAlpha Steel, LLC
Hammond, IN
GILLES LEROUX
Chairman of the Board

PAUL ATHENS
President

SYLVAIN GARNEAU
Vice-President, Operations

DOUGLAS P. HUTCHINSON, Jr.
Chief Financial Officer

CORPORATE INFORMATION

Leroux Steel Inc.

STOCK EXCHANGE LISTING

Toronto Stock Exchange
Symbols : LER.A; LER.B; LER.DB; LER.DB.A

PRINCIPAL FINANCIAL INSTITUTIONS

GMAC Commercial Finance Corporation–Canada
Bank of America, N.A.
Comerica Bank Canada Branch
Standard Federal Bank, N.A.
LaSalle Bank, N.A.
National Bank of Canada
HSBC Bank Canada

TRANSFER AGENT AND REGISTRAR

National Bank Trust

LEGAL COUNSEL

Fasken Martineau Dumoulin LLP
Lawyers

AUDITORS

Samson Bélair/Deloitte & Touche
Chartered Accountants

INVESTOR RELATIONS & FINANCIAL COMMUNICATIONS

Maison Brison Inc.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

April 17, 2003 at 11:00 a.m.
Hôtel Omni Mont-Royal
Salon Pierre-de-Courbertin
1050, Sherbrooke Street West
Montreal, Quebec

Designed and produced by :
Maison Brison Inc.

LEROUX

HEAD OFFICE

1331, RUE GRAHAM-BELL

BOUCHERVILLE, QUEBEC, CANADA J4B 6A1

TELEPHONE: 450.641.2280 1.800.241.1887

FAX: 450.641.9024

WEBSITE: WWW.LEROUX-STEEL.COM